



**Ninety-Ninth Legislature - First Session - 2005**  
**Committee Statement**  
**LB 630**

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**Hearing Date:** February 22, 2005

**Committee On:** Urban Affairs

**Introducer(s):** (Wehrbein)

**Title:** Require an annexing city or village to reimburse rural water districts

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**Roll Call Vote – Final Committee Action:**

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

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**Vote Results:**

5	Yes	Friend, Combs, Connealy, Cornett, Landis
	No	
	Present, not voting	
2	Absent	Janssen, Schimek

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**Proponents:**

Senator Roger Wehrbein, Introducer  
Alan Wood  
Kipp Haight

**Representing:**

Rural Water Dist. #1, Lancaster Co.  
Lancaster Rural Water Dist. #1

**Opponents:**

Tom Goulette  
Lynn Rex

**Representing:**

City of West Point, NE Rural Water Asso.  
League of NE Municipalities

**Neutral:**

None

**Representing:**

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**Summary of purpose and/or changes:** This legislation relates to annexation, proposing to require reimbursement for lost revenue to rural water districts affected by the annexation.

It is applicable to all cities of any class and all villages as well as those rural water districts on their borders that are affected by a proposed annexation.

This bill would enact a new section of statutes affecting any city or village annexing property served at the time of annexation by a rural water district (organized pursuant to sections 46-1001 to 46-1026).

The annexing city or village would be required to reimburse the water district (in an amount agreed between the parties) for revenue lost to the district by reason of the annexation.

If no agreement was reached within ninety days after the effective date of the annexation, the area would automatically transfer to the city or village unless within a thirty day period

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following the ninety day period, the rural water district petitions the district court of the county in which the area is located for an order enjoining the annexation and requiring the city or village to continue negotiations.

If, following the entry of such an order, the negotiations fail to result in an agreement, the district court would be obligated to determine the amount to be paid by the city or village to the water district. This order would be appealable by the city or village.

The bill is not clear on whether it does or does not prevent the effectiveness of an annexation. By current law, annexation is effective upon the effective date of the ordinance enacting the annexation. This bill appears to hold up the effective date of the annexation for ninety days or longer while negotiations occur and perhaps even through the period of court review.

**Explanation of amendments, if any:**

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**Senator Mike Friend, Chairperson**